UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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APPROVAL OF LARGE- SCALE UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF COSTA RICA

Project title and number:	Development of Small Industries and Handicrafts (COS/77/005)
Executing Agency:	United Nations Industrial Development Organization (UNIDO)
Government co-operating agency:	Ministry of Economy, Industry, and Commerce (MEIC)
Date of approval:	April 1978
Starting date for project operations:	April 1978
Duration:	Three years
Estimated value of the Government input expressed in US dollars	$156 200 (in kind)
Estimated UNDP contribution:	$158 400
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. Small industries and handicraft activities, employing less than 30 people, are responsible for some 40 per cent of the national production of the industrial sector and 50 per cent of those employed. They are also valuable to the national economy because of their contribution to regional development, their use of the country's natural resources and the savings they make in foreign exhange. For these reasons, the Government has given particular priority to this aspect of industrial development in the 1974 - 1978 National Development Plan, which it is envisaged will continue in the next plan 1979 - 1982.

2. UNDP has already provided assistance in this field under the project, Industrial Development (April 1973 - December 1977) (COS/72/007). Because of continuing needs, however, for institutional strengthening and technical assistance to specific industries, UNDP assistance for the present project (COS/77/005) has been approved.

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II. The project

3. The development objectives of the project are to strengthen small and handicraft industries in such a way that they will contribute to the attainment of certain socio-economic objectives, for example, increased employment, higher incomes and improved working conditions, production of essential goods, decentralization of industrial activity into rural areas, rational use of the country's natural resources, development of national capacity and technology, and improvement of the balance of payments.

4. The immediate objectives of the project are to increase and improve production of this type of industry through a strengthening of the General Directorate of Technical Assistance to Small and Handicraft Industries (DGATPIA) in all aspects relating to its role of providing support to those industries within its field of competence, as well in the creation of appropriate conditions(fiscal, financial, institutional, and political) for the promotion of this particular category of industry.

5 UNDP will provide, through the Executing Agency, the services of an expert in the field of small and handicraft industries.

6. The expenditure component of the UNDP contribution is as follows:

	m/m	$
Expert	36	158 400

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